



OFFICE OF  
INSURANCE COMMISSIONER

BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF WASHINGTON

In the matter of )  
 ) No. D 2004- 38  
**CONSUMERS UNION OF** )  
**UNITED STATES, INC.** ) STIPULATIONS, FINDINGS,  
 )  
Yonkers, New York ) CONSENT AND ORDER  
 )

CONSUMERS UNION OF UNITED STATES, INC. is a charitable organization and has been issuing charitable gift annuities in the State of Washington, and is therefore governed by Title 48 RCW.

This administrative action is based on allegations by the Commissioner's staff that CONSUMERS UNION OF UNITED STATES, INC. violated RCW 48.05.030 and Chapter 48.38 RCW, by the activity described in the following numbered paragraphs. To resolve only the issues identified in the following numbered paragraphs, to eliminate the necessity for a hearing, and as a negotiated settlement of the Commissioner's allegations, CONSUMERS UNION OF UNITED STATES, INC. has voluntarily executed the Consent to Order contained herein and stipulates to the entry of the Order contained herein.

STIPULATIONS

1. RCW 48.05.030 provides that no person shall act as an insurer nor transact insurance in this state other than as authorized by a certificate of authority issued to it by the Commissioner.
2. RCW 48.11.020 defines life insurance as including the granting of annuities.
3. Chapter 48.38 RCW provides that certain charitable organizations upon complying with the provisions of the Chapter may, after receiving a certificate of exemption from the Commissioner, conduct a charitable gift annuity business and be exempted from most of the provisions of Title 48 RCW.

Stipulations, Findings, Consent and Order-I



4. Beginning in March of 2002 CONSUMERS UNION OF UNITED STATES, INC. has issued 5 annuities without having been properly licensed to do so.

### FINDINGS

1. The Commissioner finds that CONSUMERS UNION OF UNITED STATES, INC. by and through the conduct described above, has violated RCW 48.05.030 and Chapter 48.38 RCW.
2. The Commissioner further finds that RCW 48.01.080 provides that any person violating any provision of Title 48 RCW is guilty of a gross misdemeanor and will upon conviction, be fined not less than ten dollars nor more than \$1,000, or imprisoned for not more than one year, or both.
3. The Commissioner further finds that RCW 48.15.023 provides that any insurer that is not authorized to solicit business in the State of Washington who knowingly solicits insurance business or transacts insurance business in the State of Washington is guilty of a Class B felony punishable under chapter 9A.20 RCW.

### CONSENT TO ORDER

Based on the above and foregoing stipulations, CONSUMERS UNION OF UNITED STATES, INC. consents to pay the sum of \$50 being the \$25 annual fee for the 2 years it would have had to pay the fee if it had been properly licensed, the sum of \$25 being the \$5 fee for each annuity that it issued if it had been properly licensed, and a fine in the amount Two Thousand One Hundred Dollars and 00/100 (\$2,100), for a total amount of \$2,175.

Based on the above and foregoing stipulations, CONSUMERS UNION OF UNITED STATES, INC. voluntarily consents to the following order to resolve the issues and alleged conduct described herein and with the understanding that the payment of the amount levied against CONSUMERS UNION OF UNITED STATES, INC. is a condition of the issuance of a Certificate of Exemption to CONSUMERS UNION OF UNITED STATES, INC. for the conduct described herein.

Based on the above and foregoing stipulations, CONSUMERS UNION OF UNITED STATES, INC. acknowledges its duty and obligation to fully comply with the applicable laws and regulations of the State of Washington.

Signed this 25 day of February 2004.  
CONSUMERS UNION OF UNITED STATES, INC.

by: Joel Gerin  
Title: Executive Vice President

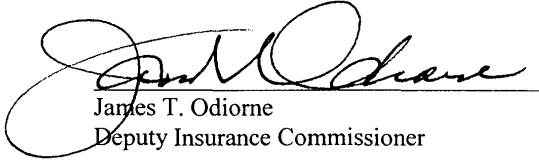


**ORDER**

IT IS ORDERED that pursuant to RCW 48.38.050 and the foregoing Stipulations, Findings, and Consent to Order, CONSUMERS UNION OF UNITED STATES, INC. pay a total sum in the amount of Two Thousand One Hundred Seventy Five Dollars and 00/100 (\$2,175) for the activity described in the foregoing Stipulation.

IT IS FURTHER ORDERED that in the event that this sum is not paid within 30 days from the date of this order, the sum will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General, pursuant to RCW 48.05.185.

SIGNED AND ENTERED THIS 3<sup>rd</sup> day of March 2004.

  
James T. Odiorne  
Deputy Insurance Commissioner

